

EXHIBIT 3

gents
greek is forging ahead for us.

see attached executed term sheet for the acquisition of 100% of Hughes Capital Management. Firm manages \$900 million on a discretionary basis for 28 institutional clients (pensions and endowments).

Need to determine where the \$2.647 million for the acquisition is getting allocated from.

it is a minority owned firm now, and will continue to be so with our partner, Michelle Morton. There are a great number of minority opportunities for affirmative action type of allocations to a fixed income shop like this. the group we are sponsoring are amazing marketers with a track record in the institutional world. Richard raised \$6bn for his last firm, which was hispanic owned. this is black woman, which i am told there are more mandates for.

Sug said Villaragosa would be interested in the board as well and could open doors, as well as Magic's guy who sits on Banc of California.

By the way, the firm is highly profitable as is. Small money overall, but a cash flow positive asset. what a concept.

We have agreed to give the firm an opportunity to participate in native american bond new issues. I believe they will take \$28 million of the Wakpamni/Ogala Sioux issue that Greenberg Traurig is working on.

Jason

Begin forwarded message:

From: Michelle Morton <mamorton2@gmail.com>
Subject: EXECUTED HCM TERM SHEET
Date: July 16, 2014 at 10:02:59 AM PDT
To: Richard Deary <rdeary@nc.rr.com>, jason galanis <jason@holmbycompanies.com>

IT'S HERE...IT'S HERE...HURRAY

I will send the other information as soon as I receive it.

Michelle

----- Forwarded message -----

From: **Frankie Hughes** <fhughes@hughescm.com>
Date: Wed, Jul 16, 2014 at 12:56 PM
Subject: Emailing: Term Sheet.pdf
To: Michelle Morton <mamorton2@gmail.com>

Good Afternoon Michelle,

Attached please find the document we discussed.



I'll send over the client information shortly.

I'm working on getting the data room set up and saw your need for access for 6. As soon as I have more details, I'll let you know.

Best,

Frankie

Frankie D. Hughes
President & CIO
Hughes Capital Management, Inc.
916 Prince Street, 3rd Floor
Alexandria, VA 22314
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**TERM SHEET
FOR THE PROPOSED ACQUISITION
OF
HUGHES CAPITAL MANAGEMENT, INC.
BY
GMT DUNCAN, LLC.**

July 14, 2014

This Term Sheet summarizes the principal terms of a proposed purchase (the “**Transaction**”) of 100% of the capital stock of **Hughes Capital Management, Inc.** (“**Hughes**” or the “**Company**”) by **GMT Duncan LLC** (“**GMT**”) or its affiliate (together with **GMT**, the “**Purchaser**”).

In consideration of the time and expense devoted and to be devoted by the Purchaser with respect to this investment, the **No Shop/Confidentiality** and **Expenses** provisions of this Term Sheet shall be binding obligations of the Company and **Frankie D. Hughes**, the owner of 100% of the equity of the Company (“**Ms. Hughes**” or the “**Company Owner**”). The Confidentiality and Expenses provisions of this document will remain in effect whether or not the Transaction is consummated. No other legally binding obligations will be created until definitive agreements are executed and delivered by all parties. This Term Sheet is not binding, and is conditioned on the completion of due diligence, legal review, and transaction documentation that is satisfactory to all parties.

1. The Company

The Company was founded in August 1993 and is a registered investment advisor. The Company’s business is dedicated exclusively to providing fixed income portfolio management to private and public sector funds, focusing on tax-exempt portfolios for state and local governments, pension plans, corporations and philanthropic institutions. As at December 31, 2013, the Company manages approximately \$892 million in assets on a discretionary basis (“**AUM**”). The Company has a sliding annual fee schedule with its clients and averages approximately 19 basis points. The firm has 2013 gross fee income of approximately \$1,794,000.

2. The Transaction

Subject at all times to a satisfactory due diligence review and mutually acceptable definitive transaction documents, the Purchaser proposes that **Ms. Hughes**, as the Company Owner, will sell 100% of the capital stock of **Hughes** (the “**Hughes Stock**”) to the Purchaser, as a result the Company shall become a 100% wholly-owned subsidiary of the Purchaser. Buyer and seller agree that neither party will make a 338H10 election with regards to the purchase of this stock.

3. Purchase Price

The purchase price for 100% of the **Hughes Stock** shall be the sum of (1) \$2,647,700, which represents 1.45 times the annual fee income of the Company for the twelve (12) consecutive months ending June 30, 2014 (the “**Purchase Price**”) and the

Additional Purchase Price. The Seller has responsibility for paying all debts incurred by the Company up to the date of closing. On date of closing, The Seller will withdraw all cash not used to satisfy any debts incurred prior to closing.

4. Payment of Purchase Price

At closing, the Purchaser shall pay to the Company Owner 100% of the Purchase Price (the "Payment").

5. Additional Purchase Price

The seller is engaged in active negotiations with a prospective institutional client that may result in HCM entering into an Investment Advisory Agreement. The Investment Advisory Agreement is anticipated to include the right to payment of advisory fees to HCM. As an inducement to the Seller to consummate the engagement, Buyer will include the Proforma fee income in the calculation of the Purchase Price; the seller will be entitled to 1.45 times the lesser of average revenue over the two year period commencing on the closing date of the purchase OR total revenue from the prospective institutional client during the same two year period. All revenue shall be less direct costs.

6. Client Retention

The Seller agrees to enter into a Consulting Agreement with the Buyer and shall perform such duties that shall assist the buyer in retaining all HCM clients. Seller will exercise her best efforts in this regard and will not commit any actions that may jeopardize the Buyers ability to retain HCM clients.

7. Consulting Agreement

At Closing, Ms. Hughes shall enter into a two (2) year consulting agreement with the Company on terms and conditions satisfactory to Ms. Hughes and the Purchaser under which Ms. Hughes will continue to interface with existing and future clients of the Company to maintain and enhance client relationships with the Company. A monthly consulting fee will be negotiated and agreed upon.

8. Closing Date

Subject to agreement as to the definitive acquisition documents, the parties shall seek to execute a definitive Stock Purchase Agreement and exhibits thereto (the "Purchase Agreement") by July 31, 2014.

STOCK PURCHASE AGREEMENT

9. Representations and Warranties

The Stock Purchase Agreement between the Purchaser and Ms. Hughes shall contain standard representations and warranties by the Company and the Company Owner. The Seller will make representations to the best of her actual knowledge and belief with the only cap on the indemnification being the purchase price.

10. Conditions to Closing

Standard conditions to Closing, which shall include, among other things, satisfactory completion of financial and legal due diligence and satisfactory negotiation of an acceptable consulting agreement with Ms. Hughes. In addition, at June 30, the Company shall have minimum trailing 12-month fee income of not less than \$1,826,000.

Purchaser counsel will draft the final Term Sheet and closing documents. The parties will pay their own legal and administrative costs related to due diligence and the closing transaction.

11. Governing Law

This Term Sheet shall be governed in all respects by the laws of the State of New York. The definitive agreement shall be governed in all respects by the laws of the State of Virginia.

OTHER MATTERS

12. Investment in the Purchaser

On or before the Closing Date, and as a condition to the Closing, **COR Fund Advisors, LLC**, directly or through its affiliate, Burnham Financial Group, Inc. or its subsidiaries (collectively, the **“Investors”**) shall make a capital investment in GMT Duncan upon substantially the terms and conditions as are set forth on Exhibit A hereto.

13. Office Lease

On the Closing Date, the Purchaser shall enter into a Lease Agreement with Hughes to rent the space currently occupied by the Company on the third floor of **916 Prince Street, Alexandria, VA 22314**. The lease shall have a term of five years with an option to terminate after 36 months with 180 days written notice, the terms of which will be outlined in the Lease Agreement. The lease shall be for 3500 sq. feet at a rate of \$29.00 per square foot. Hughes represents that the building is in compliance with all required building codes, and any expenses associated with improvements necessary to bring the aforementioned location in compliance shall be borne by Hughes.

14. No Shop/Confidentiality

Each of the Company and Ms. Hughes (collectively, the “**Selling Parties**”) and GMT Duncan each agree to work in good faith expeditiously towards a closing. The Selling Parties agree that for a period of six (6) weeks from the date these terms are accepted (the “**Exclusivity Period**”), they will not, and they will cause the Company and affiliates and agents not to, take any action to solicit, initiate, encourage or assist the submission of any proposal, negotiation or offer from any person or entity other than the Purchaser relating to the sale or issuance, of any of the capital stock of Hughes or the acquisition, sale, lease, license or other disposition of Hughes or any material part of the stock or assets of Hughes and shall notify the Purchaser promptly of any inquiries by any third parties in regards to the foregoing; provided, however, that this provision shall not apply to a specific buyer, the “**Excluded Party**”), with whom the Selling Parties are currently in discussions. The Selling Parties will not disclose the terms of this Term Sheet to any person other than officers, members of the Board of Directors and the Company’s attorneys and accountants, without the written consent of the Purchaser, unless required by law.

15. Right of First Refusal

The Seller agrees to disclose the name of the Excluded Party to the Attorney of the Purchaser, provided the Attorney of the Purchaser does not disclose this information to any party unless required by law. The Selling Parties grant a right of first refusal to acquire the business provided the provisions in this Term Sheet with respect to Purchase Price, Transaction, Payment of Purchase Price, Additional Purchase Price, Office Lease, Confidentiality, and Expenses remain unchanged. Further, the Seller cannot enter into an agreement with the Excluded Party unless the Purchaser withdraws its offer.

[SIGNATURE PAGE FOLLOWS]

EXECUTED THIS 14th DAY OF JULY 2014

HUGHES CAPITAL MANAGEMENT, INC.

BY: 

Name: Frankie D. Hughes

Title: President

FRANKIE D. HUGHES,

An individual



GMT DUNCAN, LLC

BY: Michelle A. Morton

Name: Michelle Morton

Title: Managing Member

Signature:

Email: